

## Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10  
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11  
OMB-01 /067 W  
-----001306 210324Z /64

R 210212Z JUL 78  
FM AMEMBASSY KUALA LUMPUR  
TO SECSTATE WASHDC 6527  
INFO AMEMBASSY BANGKOK  
AMEMBASSY JAKARTA  
AMEMBASSY MANILA  
AMEMBASSY SINGAPORE  
CINCPAC HONOLULU HI

C O N F I D E N T I A L SECTION 1 OF 2 KUALA LUMPUR 7400

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS  
TAGS: PINT, PGOV, MY  
SUBJ: POLITICAL DEVELOPMENTS: FEDERAL AND STATE GOVERNMENT  
CHANGES AND FORTHCOMING UMNO ELECTIONS

REF : A) KUALA LUMPUR 7218 DTG 170838Z JUL 78, B) KUALA LUMPUR  
6787 DTG 100925Z JUL 78, C) KUALA LUMPUR 6718 DTG  
080929Z JUL 78, D) KUALA LUMPUR 6293 DTG 260404Z JUN 78

1. SUMMARY. MALAYSIA'S FIFTH PARLIAMENT IS SCHEDULED TO BE SWORN  
IN JULY 31 AND PRIME MINISTER HUSSEIN ONN WILL ANNOUNCE HIS  
NEW CABINET LINEUP WITHIN A WEEK OR SO, AFTER ELECTION RESULTS  
FOR PARLIAMENTARY SEATS IN SARAWAK ARE KNOWN. ALTHOUGH SEVERAL  
CABINET AND SUB-CABINET POSTS ARE CURRENTLY VACANT AND ARE  
EXPECTED TO BE FILLED AT THAT TIME, LOCAL OBSERVERS DO NOT FORE-  
CAST MAJOR CHANGES IN THE CABINET LINEUP. MEANWHILE, NEW  
STATE GOVERNMENTS ARE BEING FORMED IN TEN PENINSULAR MALAYSIAN  
STATES WHERE STATE ASSEMBLY ELECTIONS WERE HELD JULY 8. FOUR  
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OF THE TEN CHIEF MINISTERS ARE NEW AND YOUTHFUL APPOINTEES  
(AGES 36-44) WITH CLOSE TIES TO THE FEDERAL GOVERNMENT AND  
WITH REPUTATIONS FOR HONESTY AND ADMINISTRATIVE COMPETENCE.  
THE UMNO ANNUAL GENERAL ASSEMBLY/TRIENNIAL PARTY ELECTIONS ORIGIN-  
ALLY SCHEDULED FOR LATE JUNE ARE NOW SCHEDULED FOR SEPTEMBER  
14-16. GIVEN THE IMPRESSIVE ELECTION VICTORY OF DATUK HUSSEIN  
ONN'S RULING NATIONAL FRONT COALITION AND THE PERSONAL ELECTORAL

SUCCESS OF HIMSELF AND HIS KEY LIEUTENANTS THE UMNO MEETING IS NOW EXPECTED TO BE A RELATIVELY TAME AFFAIR WITH NEITHER THE PRIME MINISTER'S NOR DEPUTY PRIME MINISTER'S PARTY POSITIONS BEING SERIOUSLY CHALLENGED. THERE MAY HOWEVER BE SOME JOSTLING FOR SUBORDINATE PARTY POSTS, THE OUTCOME OF WHICH WILL BE OF INTEREST IN IDENTIFYING FUTURE LEADERS. IN TERMS OF US INTERESTS, THE POSITION OF THE ESSENTIALLY MODERATE AND PRAGMATIC GOM LEADERSHIP WE HAVE BEEN DEALING WITH HAS BEEN STRENGTHENED BY THE GENERAL ELECTION RESULTS AND THE PREDICTED UMNO ELECTION RESULTS. END SUMMARY.

2. MALAYSIA'S FIFTH PARLIAMENT, COMPRISING 154 MEMBERS ELECTED IN STAGGERED ELECTIONS JULY 8-22, IS TO BE SWORN IN JULY 31. ELECTION OF THE SPEAKER AND DEPUTY SPEAKER IS EXPECTED TO BE THE MAIN ITEM OF BUSINESS (TAN SRI SYED NASIR ISMAIL IS EXPECTED TO BE RE-ELECTED SPEAKER). NEXT BUSINESS SESSION OF THE NEW PARLIAMENT IS SCHEDULED TO COMMENCE IN OCTOBER.

3. AS NOTED REF B, FORMAL ANNOUNCEMENT OF NEW CABINET BY PRIME MINISTER HUSSEIN ONN IS EXPECTED ONLY AFTER RESULTS OF PARLIAMENTARY ELECTIONS IN SARAWAK ARE TABULATED AFTER TWO WEEK VOTING PERIOD THERE ENDS JULY 22. CABINET POST OF PUBLIC WORKS MINISTER FORMERLY HELD BY USNO'S GHANI GILONG (DEFEATED IN SABAH ELECTIONS--REF A), THREE DEPUTY MINISTER SLOTS (DEPUTY HOME MINISTER, FORMERLY HELD BY RAIS YATIM, NOW CHIEF MINISTER OF NEGERI SEMBILAN; DEPUTY MINISTER OF LOCAL GOVERNMENT AND CONFIDENTIAL

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FEDERAL TERRITORY, FORMERLY HELD BY S. SUBRAMANIAM, DEFEATED FOR RE-ELECTION JULY 8; AND DEPUTY MINISTER OF PUBLIC ENTERPRISES, FORMERLY HELD BY NOW-RETIRED DATUK MEJI MUSTAFFA JABBAR), AND SEVERAL PARLIAMENTARY SECRETARY POSITIONS ARE VACANT AND ARE EXPECTED TO BE FILLED WHEN THE PM REALIGNS HIS CABINET. LOCAL OBSERVERS HOWEVER DO NOT RPT NOT FORECAST ANY CHANGES IN MAJOR PORTFOLIOS ALTHOUGH HUSSEIN RETAINS THE OPTION TO DO SO SHOULD HE CHOOSE. CURRENT SPECULATION CENTERS ON FORMER NEGERI SEMBILAN CHIEF MINISTER MANSOR OTHMAN ENTERING THE CABINET, AND OR TWO DEPUTY MINISTERS BEING PROMOTED TO FILL MINISTER STATUS, AND SEVERAL NEW DEPUTY MINISTERS AND PARLIAMENTARY SECRETARIES BEING APPOINTED.

4. FOLLOWING ELECTION OF NEW STATE ASSEMBLIES JULY 8 IN TEN OF THE ELEVEN STATES OF PENINSULAR MALAYSIA NEW STATE GOVERNMENTS ARE NOW BEING FORMED IN THESE. THE NOTEWORTHY ASPECT OF THIS IS THE INFUSION OF NEW BLOOD AT THE TOP IN FOUR STATES. THE FOUR NEW CHIEF MINISTERS ARE DATUK SYED NAHAR SHAHABUDDIN, 44, IN KEDAH (HE IS A PROMINENT BUSINESSMAN, HEAD OF THE NATIONAL SAVINGS BANK AND CHAIRMAN OF THE MUDA AGRICULTURAL DEVELOPMENT AUTHORITY); DATUK RAIS YATIM, 37, IN NEGERI SEMBILAN (FORMER DEPUTY HOME MINISTER); ENCIK MOHAMMED ADIB BIN HAJI ADAM,

37, IN MALACCA (AN EX-CIVIL SERVANT HE WAS MOST  
RECTNLY THE UMNO/NATIONAL FRONT EXECUTIVE

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C O N F I D E N T I A L SECTION 2 OF 2 KUALA LUMPUR 7400

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SECRETARY AND IN 1972 WAS AN IVP GRANTEE); AND ENCIK  
ABDUL RAHIM BIN ABU BAKAR, 36, IN PAHANG (AN EX-CIVIL SERVANT,  
HE WAS MOST RECENTLY CHAIRMAN OF THE PAHANG STATE ECONOMIC  
DEVELOPMENT CORPORATION AND PROJECT MANAGER FOR THE KUANTAN  
PORT PROJECT. ALL FOUR HAVE REPUTATIONS FOR HONESTY,  
YOUTHFUL VIGOR, ADMINISTRATIVE COMPETENCE, AND, PERHAPS  
MOST IMPORTANTLY, CLOSE TIES WITH THE FEDERAL GOVERNMENT.  
MANY LOCAL OBSERVERS SEE THESE MOVES AS AN ATTEMPT BY THE  
FEDERAL GOVERNMENT TO DEAL WITH THE VEXING PROBLEM OF  
FEDERAL-STATE CONFLICTS OVER LAND MATTERS, A CONSTITUTIONAL  
PREROGATIVE OF THE STATES WHICH HAS IMPEDED NATIONAL PLANNING  
FOR DEVELOPMENT AND INDUSTRIALIZATION AS WELL AS CONSTITUTING  
A FOCAL POINT FOR CORRUPTION AT THE STATE LEVEL. THESE  
APPOINTMENTS ARE THUS SEEN AS EFFORTS TO ENHANCE THE IMAGE  
AND EFFICIENCY OF THE STATE GOVERNMENTS, AS WELL AS TO MAKE  
THEM MORE RESPONSIVE TO FEDERAL GOVERNMENT DIRECTION.

5. THE LONG AWAITED UMNO ANNUAL ASSEMBLY AND TRIENNIAL  
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PARTY ELECTIONS, POSTPONED FROM LATE JUNE DUE TO THE ELECTION CAMPAIGN, HAVE NOW BEEN RESCHEDULED FOR SEPTEMBER 14-16. THE UMNO YOUTH AND WOMEN'S DIVISIONS WILL MEET THE FIRST DAY AND THE PARENT BODY THE FOLLOWING TWO DAYS. ALTHOUGH IT HAD APPEARED THAT DATUK HUSSEIN ONN AS ACTING UMNO PRESIDENT AND DEPUTY PRIME MINISTER/UMNO VICE PRESIDENT DR. MAHATHIR MIGHT FACE AT LEAST TOKEN CHALLENGES FOR ENDORSEMENT AS UMNO PRESIDENT AND DEPUTY PRESIDENT RESPECTIVELY, THIS THREAT HAS WANED IN THE WAKE OF THE NATIONAL FRONT'S AND THEIR PERSONAL ELECTORAL SHOWINGS. WE UNDERSTAND THAT "OLD GUARD" FIGURE KHIR JOHARI, EX-AMBASSADOR TO THE US, HAS AGREED NOT TO CONTEST THE DEPUTY PRESIDENT POST IN RETURN FOR BEING RENOMINATED TO PARLIAMENT. SIMILARLY HIS COLLEAGUE, DATUK SENU ABDUL RAHMAN, HAS AGREED TO RELINQUISH THE IMPORTANT ORGANIZATIONAL POST OF SECRETARY GENERAL. FORMER UMNO PUBLICITY CHAIRMAN HAJI SULAIMAN PALESTINE, A SUPPORTER OF DISGRACED FORMER UMNO POLITICAL BOSS HARUN IDRIS WHO CURRENTLY RESIDES IN PUDU PRISON, IS STILL IN THE RUNNING FOR THE PARTY PRESIDENCY BUT AT THE MOST CAN ONLY EXPECTS TO CAUSE HUSSEIN MINOR EMBARRASSMENT BY BLOCKING THE LATTER'S ELECTION BY CONSENSUS. THE THREE TOP CANDIDATES FOR THE THREE ELECTED VICE PRESIDENT POSITIONS ARE INCUMBENTS GHAFAR BABA AND FINANCE MINISTER TENGKU RAZALEIGH HAMZAH, AND NEW CANDIDATE, EDUCATION MINISTER MUSA HITAM. HOME MINISTER GHAZALI SHAFIE IS ALSO SEEKING ONE OF THE VICE PRESIDENT SLOTS BUT IS NOT EXPECTED TO SUCCEED. THE YOUTH AND WOMEN'S WINGS WILL HOLD THEIR BIENNIAL ELECTIONS WHEN THEY MEET SEPTEMBER 14.

6. TRADITIONALLY, THE UMNO ASSEMBLY OFFERS PARTY RANK AND FILE, PREDOMINANTLY FROM RURAL AREAS, AN OPPORTUNITY TO SOUND OFF AND ASSERT THEIR VIEWS. THUS FOR THE PARTY LEADERSHIP, THIS MEETING IS OFTEN SEEN AS A DAMAGE CONTROL OPERATION TO PREVENT FIREWORKS FROM GETTING OUT OF HAND OR HIGHLIGHTING

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DIVISIONS AMONG THIS MASS PARTY WHOSE MAJOR UNIFYING THEME IS NOT IDEOLOGY BUT RATHER MALAY NATIONALISM. ALTHOUGH IT IS STILL TOO EARLY TO TELL WHAT ISSUES MIGHT SURFACE AT THIS YEAR'S AFFAIR, THE PARTY'S STRONG SHOWING AT THE POLLS, WINNING 70 OF THE 75 SEATS IT CONTESTED, IS LIKELY TO DAMPEN MAJOR CONTROVERSIES.

7. IN TERMS OF US INTERESTS, THE STANDING OF THE ESSENTIALLY MODERATE AND PRAGMATIC GOM LEADERSHIP WE HAVE BEEN DEALING WITH HAS BEEN STRENGTHENED BY THE GENERAL ELECTION RESULTS AND WE EXPECT THE POSITIONS OF THE PRIME MINISTER AND HIS CHIEF LIEUTENANTS WILL BE REINFORCED BY THE UMNO ELECTIONS.

ONE INTERESTING SIDELIGHT WILL BE TO SEE WHICH OF THE UMNO  
VICE PRESIDENTIAL ASPIRANTS WILL ACQUIRE THE MOST VOTES, AS  
THIS WILL MARK THE FIRST TIME IN RECENT MEMORY THAT MUSA HITAM  
AND RAZALEIGH HAMZAH HAVE COMPETED FOR THE SAME POSITION,  
AND BOTH ARE CONSIDERED POTENTIAL FUTURE CANDIDATES FOR THE  
PREMIERSHIP.  
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## Message Attributes

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**To:** STATE  
**Type:** TE  
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